United States Senate

WASHINGTON, DC 20510January 30, 2004

The Honorable George W. Bush President The White House 1600 Pennsylvania Ave., N.W. Washington, D.C. 20500

Dear Mr. President:

Last year, 48 senators sent you a letter in "opposition to any Medicaid reform proposal that seeks to impose a cap on federal Medicaid spending in any form or eliminates the fundamental guarantee to Medicaid coverage for our nation's most vulnerable citizens, including low-income children, parents, pregnant women, people with disabilities, and senior citizens." That letter is attached.

Our nation's uninsured rate continues to rise. Establishing an arbitrary cap on federal funding — whether in the form of an allotment, an allocation, or a block grant — would undermine the federal commitment to the health of our nation's neediest and most vulnerable citizens. For that reason, we urge you to reject including such a cap on the Medicaid program in your fiscal year 2005 budget proposal.

Arbitrary limits on federal Medicaid spending fail to automatically adjust for economic recessions, demographic changes, health care inflation, or disasters, including terrorism. No formula can account for the multitude of factors that affect Medicaid costs at different times in different parts of the country. Moreover, capped federal payments profoundly limit a State's ability to respond and be innovative in ways to respond to the growing number of uninsured in this country.

We stand ready to work with you on identifying those structural changes that enhance state flexibility and reduce health care costs without compromising the health and well-being of beneficiaries.

With the number of uninsured growing in the nation and an aging population, we should take steps to stabilize and improve health coverage rather than undermine it. We hope to work with you to achieve that purpose.

Sincerely,

Jeff Bingaman

Patty Murray U.S. Senator Thomas A. D. V.S. Sepator U.S. Senator U.S. Senator S. Senator L.S. Senator U.S. Senator U.S. Senator John B. Breaux U.S Senator Blanche L. Lincoln U.S. Senator Bob Graham U.S. Senator U.S. Senator U.S. Senator U.S. Senator U.S. Senator

Jon S. Cerzine U.S. Senator

Paul S. Sarbanes U.S. Senator

Tim Johnson U.S. Senator

Debie A. Stabenow U.S. Senator

Ron Wyden U.S. Senator

Ernest Hollings

U.S. Senator